Inaccessibility of loans to marginal farmers

217. SHRI N.R. GOVINDARAJAR: Will the Minister of FINANCE be pleased to state:

(a) whether according to the World Bank estimates, 80 per cent of marginal farmers and 70 per cent of small farmers have no access to loan from Banks and financial institutions;

(b) if so, the details thereof;

(c) whether this has resulted in more suicide by farmers; and

(d) if so, the details thereof and the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) World Bank, in its report on "India Scaling-up Access to Finance for India's Rural Poor", has mentioned that some 66 per cent of large farmers have a deposit account and only 44 per cent have access to credit. Some 87 per cent of the poorest households (marginal farmers) surveyed do not have access to credit, and 71 per cent do not have access to savings from a formal source.

As per the Report published in 2003 on the "Indebtedness of Farmer Households" (as part of Situation Assessment Survey of Farmers — 59th Round) by NSSO, Ministry of Statistics and Programme Implementation, out of 89.35 million farmer households, 43.42 million (48.6%) were reported to be indebted. Resultantly, 51.4% of the farmer households had no access to credit from any source-institutional or non-institutional.

(c) and (d) Inability of farmers to repay the debt is one of the many reasons for farmers committing suicide in the country. The other reasons are excessive borrowing from non-formal sources, social tension, continuous drought affecting farm yield and their income, emerging changes in social milieu and alienation of the individuals from family and society.

The Government has announced a relief package in 31 debt stressed districts in the four States of Maharashtra (06), Andhra Pradesh (16), Karnataka (06) and Kerala (03) from where maximum number of suicide cases were reported. Waiver of entire interest on overdue loans as on 01.07.2006 is one component of the Relief Package. These overdue loans have been rescheduled over a period of 3-5 years with a moratorium of one year. Enhanced flow of agriculture credit has also been ensured in such districts.

Prices of essential items

218. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) the reasons for prices of essential items like foodgrains, edible oil, etc. still comparatively high when inflation rate is constantly coming down and in Sep.-Oct. 2007, even less than 4 per cent;

(b) whether factors like growing integration with global economy play a significant role towards keeping the prices at higher level; and

(c) if so, what fiscal measures or any long-term strategies are being thought of so that Aam Aadmi, is not required to bear heavy burden of rising prices?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The inflation measured in towns of WPI for all commodities remained below 4 per cent in September and October, 2007. Annual increase in prices of foodgrains and edible oils have also moderated in recent months from April, 2007 as is indicated in the Table-1.